



NATIONAL LOW INCOME  
HOUSING COALITION/LIHC

Rafael Torres, Chair  
Sheila Crowley, President

# CALL TO ACTION

March 9, 1999

## Co-Sponsors Needed for Housing Preservation Bill

### Call your Representatives Today, Ask Them to Co-Sponsor H.R. 425

Representatives Bruce Vento (D-MN) and Jim Ramstad (R-MN) have introduced H.R. 425, the Housing Preservation Matching Grant Act of 1999. The bill provides for matching grants to states to help save federally assisted affordable housing units. Many owners have been opting out of their contracts at the end of their terms or prepaying their mortgages in order to leave federally assisted housing programs earlier than originally planned. According to the National Housing Trust, between 1996 and 1998, almost 100,000 affordable housing units have left assisted housing programs because of opt-outs and prepayments.

This bill, H.R. 425, would help states save these units. In order for H.R. 425 to be successful, it needs a broad spectrum of co-sponsors. Representatives Ronnie Shows (D-MS), Stephanie Tubbs Jones (D-OH), Martin Frost (D-TX), Robert Brady (D-PA), Patsy Mink (D-HI), Martin Sabo (D-MN) and Luis Gutierrez (D-IL) have already co-sponsored this bill. Call and ask your Representatives to co-sponsor this bill and help save this housing.

The Housing Preservation Matching Grant, established in H.R. 425, can be an incentive tool to states. The bill authorizes federal funds to be matched with leveraged, local funds to finance the acquisition, rehabilitation and debt restructuring of federally assisted rental property and loans.

Often, prepayments and opt-outs are happening with the best of the federally assisted affordable housing stock. After prepaying or opting out of the federal program, owners usually hike up the rents immediately. In return for losing their homes, the federal government gives the current tenants rental assistance vouchers. The value of these vouchers within our local housing markets is uneven and we cannot count on these vouchers to maintain housing stability for the 265,000 households currently at risk of prepayment and opt-outs across the United States. When these units are gone they won't be coming back.

The loss of this federally assisted housing stock will further exacerbate the nation's affordable housing shortage. On March 8, the Department of Housing and Urban Development issued "Waiting in Vain: Update on America's Rental Housing Crisis". The report shows how families' time on waiting lists for housing assistance is growing - for the largest public housing authorities, the wait has grown by 50% over the last two years; that rent costs continue to outpace income for low income people; and that the number of units affordable to low income people on the private market is rapidly dwindling. We need to keep the housing that would be protected by H.R. 425.

#### Take Action:

1. Call your Representative and ask them to co-sponsor H.R. 425. You can reach all U.S. Representatives through the Capitol Switchboard at 202/224-3121.
2. If your Representative is interested in co-sponsoring H.R. 425, they should call Kirsten Johnson-Obey of Representative Vento's staff, at 202/225-7635.

For more information, call Linda Couch at 202/662-1530, ext. 242.